

**KINECTA FEDERAL CREDIT UNION**

**KINECTA MYPRO MASTERCARD  
BUSINESS CREDIT CARD AGREEMENT AND DISCLOSURE**

**IMPORTANT – Retain for your records  
Effective: 4/01/2020**

**CARD AGREEMENT**

This Kinecta MyPro MasterCard Business Credit Card Agreement and Disclosure (“Agreement”) is your contract with us. The *Pricing Information Table* below is a part of this Agreement and shows important information about your Account, such as your Annual Percentage Rate and certain fees. Any amendments to this Agreement are also part of this Agreement. **Please read all parts of this Agreement and keep it for your records.**

**PRICING INFORMATION TABLE**

<b>Interest Rates and Interest Charges</b>	
<b>Annual Percentage Rate (APR) for Purchases</b>	<b>9.99% to 18.00%</b> when you open your account, based on your creditworthiness. After that, your APR will vary with the market based on the Prime Rate.
<b>APR for Balance Transfers</b>	<b>9.99% to 18.00%</b> when you open your account, based on your creditworthiness.  After that, your APR will vary with the market based on the Prime Rate.
<b>APR for Cash Advances</b>	<b>11.99% to 18.00%</b> when you open your account, based on your creditworthiness.  After that, your APR will vary with the market based on the Prime Rate.
<b>Penalty APR and When it Applies</b>	<b>18.00%</b>  This APR may be applied to your account if you: 1) Make a latepayment; 2) Go over your credit limit twice in a six monthperiod 3) Make a payment that isreturned.  <b>How Long Will the Penalty APR Apply?:</b> If your APRs are increased for any of these reasons, the Penalty APR will apply until you make six (6) consecutive minimum payments when due.
<b>Paying Interest</b>	Your due date is at least 25 days after the close of each billing cycle. We will not charge you interest on purchases and balance transfers if you pay your entire balance by the due date each month. We will begin charging interest on cash advances on the transaction date.
<b>Minimum Interest Charge</b>	If you are charged interest, the charge will be no less than \$1.00.
<b>For Credit Card Tips from the Consumer Financial Protection Bureau</b>	To learn more about factors to consider when applying for or using a credit card, visit the website of the Consumer Financial Protection Bureau at <a href="http://www.consumerfinance.gov/learnmore">http://www.consumerfinance.gov/learnmore</a>
<b>Fees</b>	
<b>Annual Fee</b>	<b>None</b>

<b>Transaction Fees</b>	
<ul style="list-style-type: none"> <li>Balance Transfer</li> <li>Cash Advance</li> <li>Foreign Transaction</li> </ul>	<p>3% of the amount of each transfer (<b>\$10</b> minimum)</p> <p>3% of the amount of each cash advance or <b>\$10</b>, whichever is greater (<b>\$100</b> maximum)</p> <p>1.0% of each transaction in U.S. dollars.</p>
<b>Penalty Fees</b>	
<ul style="list-style-type: none"> <li>Late Payment</li> <li>Returned Payment</li> </ul>	<p>Up to <b>\$20</b></p> <p>Up to <b>\$25</b></p>

**How We Will Calculate Your Balance:** We will use a method called “average daily balance (including new purchases).”

**Loss of Introductory APR:** We may end your introductory APR and apply the Penalty APR if you make a late payment.

**Billing Rights:** Information on your rights to dispute transactions and how to exercise those rights is provided at the end of this Agreement.

Details About Your Interest Rates and Interest Calculations	Index	Margin	Periodic Rate	Corresponding Annual Percentage Rate (APR)
Purchases	3.25%	6.74 -14.99%	0.83 – 1.50% (M)	9.99 – 18.00%
Balance Transfers	3.25%	6.74 -14.99%	0.83 – 1.50% (M)	9.99 – 18.00%
Cash Advances	3.25%	8.74 – 16.99%	1.00 – 1.50% (M)	11.99 – 18.00%
Penalty APR	n/a	n/a	1.5%	18.00%

(M) = Monthly periodic rate. A monthly periodic rate is the APR divided by 12.

## DEFINITIONS

The following definitions apply to this Agreement:

- ACCOUNT:** The line of credit associated with your Kinecta MyPro MasterCard Business Credit Card Account with us.
- ACCOUNT BALANCE:** All authorized charges, plus any finance charges assessed on your Account, plus any other fees and charges which you owe to us under the terms of this Agreement.
- AUTHORIZED USER:** (1) In the case of a corporation, partnership, or limited liability entity, those individuals authorized and required to sign the credit application; (2) in the case of a sole proprietorship, the owner(s); or (3) those other individuals designated in the credit application as authorized to use Cards SM and obtain advances. Such individuals must agree to execute other forms of signature identification as may be required by us.
- BILLING PERIOD:** The period of time between each date when we create a periodic statement for your Account. A Billing Period is usually 28-33 days. For each Billing Period, your statement will show any Transactions, other charges, payments and other credits posted during that Billing Period.
- CARD:** The Kinecta MyPro MasterCard Business Credit Card issued to you (and any duplicates and renewals we may issue) used to access your Account to obtain credit.
- GUARANTOR:** Each person identified in the credit application as a personal or corporate guarantor.
- LATE PAYMENT:** A payment is late if you do not pay at least an amount equal to the Minimum Monthly Payment by the Payment Due Date.
- RETURNED PAYMENT:** A payment that is not honored by your financial institution.
- TRANSACTION:** A Purchase, Balance Transfer or Cash Advance, as applicable.
- YOU, YOUR, YOURS and THE BUSINESS:** (1) The business on whose behalf the related Kinecta Federal Credit Union business credit card application or other written document (including an electronic record) that you signed or otherwise submitted for this Account was submitted and (2) each and every person who signed the business credit card application.
- WE, US, OUR and CREDIT UNION:** KINECTA FEDERAL CREDIT UNION.

## YOUR ACCOUNT

**BINDING AGREEMENT:** This Agreement takes effect once you activate your Card. Even if you do not use your Card, this Agreement will take effect unless you contact us to cancel your Account within 30 days after we sent you this Agreement.

**ACCOUNT USE:** Your Account use is subject to this Agreement. You represent and warrant that the Account will be used solely for business and commercial purposes and not for any personal, family or household purpose. We may close your Account if we learn that you are using it for personal, family or household purposes. You agree to comply with all laws, statutes, regulations and ordinances pertaining to the conduct of your business and you agree to indemnify and hold us harmless from any damages, liabilities, costs, expenses (including attorneys' fees) or other harm arising out of any violation thereof. This indemnity agreement will survive termination of your Account and this Agreement. All Transactions are subject to our approval. You may use your Card to purchase goods and services in person, online, and by mail or telephone from merchants and others who accept MasterCard credit cards. In addition, you may obtain cash advances from the Credit Union, from other financial institutions or select merchants participating in the MasterCard program and from automated teller machines (ATMs) that provide access to the MasterCard system. Not all merchants or ATMs provide such access. You will need to use your Personal Identification Number (PIN) to obtain a cash advance from an ATM. A PIN may be obtained by calling (888) 891-2435. Finally, you may use your Account to transfer balances from other creditors, provided that we approve your request. Balance Transfers are subject to a \$500 minimum transfer amount requirement.

**DELIVERY AND DISTRIBUTION OF CARDS:** All Cards issued pursuant to this Agreement will be mailed or otherwise delivered to the address of the Business we have in our records. The Business shall be solely responsible for the distribution of Cards to Authorized Users.

**PROGRAM ADMINISTRATOR:** You agree that each individual who signs the credit application (each an authorized "Program Administrator") will actively manage this Account and any services obtained in connection with this Agreement. You agree and acknowledge that we may rely on all instructions and information we receive from each Program Administrator regarding the Account and any services obtained under this Agreement. The Program Administrator's responsibilities include the following: (i) making Authorized Users aware that advances from the Account are for business use only; (ii) ensuring timely payments; (iii) notifying us immediately, and confirming in writing within three (3) business days, if an Authorized User's authority to generate advances on the Account has been or will be revoked (because of a termination of employment or for any other reason); (iv) using reasonable efforts to collect and dispose of Cards, Checks and other access devices from Authorized Users when authority to generate advances are revoked; and (v) at our request, notifying us of an Authorized User's last known address and telephone number.

**PROMISE TO PAY:** You must pay us for all amounts due on your Account, including: (1) Transactions you make, even if you did not present your Card or sign for the Transaction; (2) Transactions an Authorized User makes; (3) Transactions that other people make if you or an Authorized User let them use your Account; and (4) any fees and interest charges on the Account. Your agreement to repay us extends to the use of the Account by you or any other person you permit to use the Account, even if that person exceeds your permission. You cannot disclaim responsibility by notifying us, although we will close the Account if you so request. The Business is liable on this Agreement. This means that we may require the Business to pay all amounts due under this Agreement, including credit advances made by any Authorized User, even if it exceeds the authorized Credit Limit. The Cards remain our property and you must recover and surrender to us all Cards upon our request and/or upon termination of this Account.

**CREDIT LIMIT AND CASH ADVANCE LIMIT:** We assign a Credit Limit to your Account. Part of this Credit Limit may be available for Cash Advances. Your Cash Advance Limit is 50% of your available credit. Your Credit Limit will be reflected on each periodic statement. You agree to manage your Account so that: (1) your Account Balance (including fees and charges) is not more than your Credit Limit; and (2) your Cash Advance balance (including fees and charges) is not more than your Cash Advance Limit. However, if your Account Balance exceeds your Credit Limit or Cash Advance Limit, you are still obligated to pay us. We may increase or decrease your Credit Limit at any time and we may notify you of such increase or decrease by mail or through a statement sent to the primary accountholder's address of record, in accordance with applicable legal requirements. If you object to any Credit Limit increase, you must notify us immediately. Only a Program Administrator may request a change to the Credit Limit orally, in writing, or electronically, but any such request must be approved by us. If your Credit Limit is increased, you are immediately responsible for the new Credit Limit and any increase in the Account Balance even when it differs from an amount previously agreed to orally or in writing.

**UNLAWFUL TRANSACTIONS:** Your Card or Account may not be used directly or indirectly in a manner that would constitute a crime under local, state or federal law, or in any illegal activity, including without limitation (1) any "racketeering activity" as defined in 18 U.S.C. § 1961, or (2) any gambling, gaming, betting, or similar activity or transaction. Further, you may not use your Card or Account for the purchase of any goods or services on the Internet that involve gambling, gaming, betting, or any similar transaction or activity. Such transactions include, but are not limited to, any quasi-cash or online gambling transaction, any electronic commerce transaction conducted over an open network, and any betting transaction including the purchase of lottery tickets or casino gaming chips/checks or off-track betting or wagering. Display of a payment card logo by an online merchant does not mean that internet

gambling or other transactions are legal in the jurisdiction in which you are located. However, in the event that a charge or transaction described in this paragraph is approved and processed, you will still be responsible for such charges. If you use your Card or Account directly or indirectly in an unlawful manner you understand that your Account may be declared in default and that we may exercise any rights available to us, including, but not limited to, accelerating your Account Balance and demanding immediate payment thereof.

**MOBILE PHONES OR OTHER DEVICES:** Smart phones, tablets and other electronic devices can store your Card (such as through a mobile wallet). This means they can be used to make Purchases or other Transactions. Any such Transactions are covered by this Agreement. Apps that use your Card to make Transactions may have separate terms of use. We are not responsible if you violate those terms, or for any consequences resulting from any violation.

## AGREEMENT AND BENEFIT CHANGES

**CHANGES TO THIS AGREEMENT:** Account and Agreement terms are not guaranteed for any period of time. We may change this Agreement for any reason and at any time, subject to applicable law. This means that we can change rates and fees that apply to your Account. It also means we can add, remove, replace or modify provisions of this Agreement. If required by applicable law, we will give you notice of the changes. If we notify you of a change, we may do so on your periodic statement or send you a separate written notice, either of which may be sent to you in an electronic format if you have agreed to receive notices from us electronically. Except as prohibited by law, any change in terms will apply to your existing Account Balance as well as to future Transactions. We may change the terms of this Agreement based on information in your credit report, market conditions, business strategy or for any other reason.

**CHANGING BENEFITS:** We reserve the right to change or discontinue any benefit, rewards program, service or feature offered in connection with your Account, at any time and for any reason.

## ANNUAL PERCENTAGE RATES AND INTEREST CHARGES

**MASTERCARD VARIABLE RATE PROGRAM:** This section explains how we calculate rates and interest charges applicable to your Account. We use annual percentage rates (APRs) to calculate interest charges on your Account. Our MasterCard program is a variable rate program, which means that your APR may increase or decrease each Billing Period while you maintain your Account with us. The APR that applies to your Account may vary with changes to the U.S. Prime Rate. The U.S. Prime Rate is the highest U.S. Prime Rate published in The Wall Street Journal (the "Index"). In the event that the U.S. Prime Rate ceases to be published, changes in your APR will be related to a comparable index and we will inform you on your periodic statement or through a separate notice.

Your APR is subject to change each Billing Period based on an increase or decrease in the Index. We calculate your APR for Transactions by adding an amount, which we call the Margin, to the Index in effect as of the 15<sup>th</sup> day of each month preceding the start date of each Billing Period. These dates are referred to by us as "Adjustment Dates." You can find the initial Index, Margin, Monthly Periodic Rate and corresponding APR we use for your Account listed above in the section entitled *Pricing Information Table*.

Your APR will increase if the Index increases and decrease if the Index decreases. If your APR increases, then your interest charges and Minimum Payment Due may increase. If the Index changes, we will apply the new variable APR starting from the first day of the Billing Period after we take the Index from The Wall Street Journal. The new APR will apply to existing balances, as well as balances added to your Account after the change. We may waive an increase in the APR when such an increase can be made, but such a waiver will not be construed as a waiver of our right to increase the APR at a future date when entitled to do so.

There is no minimum APR that can apply during the term of this Agreement. The maximum APR that can apply during the term of this Agreement is 18.00%. There are no annual (or other) limitations on changes in the APR during the term of this Agreement.

**PENALTY ANNUAL PERCENTAGE RATE:** If you have a late or returned payment that causes your Account to be sixty (60) days past due, we may apply a penalty APR to your Account. The penalty APR is 18.00% (corresponding Monthly Periodic Rate of 1.5%). .

**INTEREST CHARGES:** Interest charges will be imposed on Transactions only if you elect not to pay the entire Account Balance shown on your periodic statement by the Payment Due Date. If you elect not to pay the entire Account Balance shown on your periodic statement by the Payment Due Date, interest charges will be imposed on the unpaid Average Daily Balance of Transactions from the previous statement closing date and on the new Transactions from the date of posting to your account during the current Billing Period, and will continue to accrue until the closing date of the Billing Period preceding the date on which the entire Account Balance is paid in full.

We calculate interest on your Account each Billing Period by applying the Monthly Periodic Rate to the Average Daily Balance (including new Transactions). The following explains how we do this. To get the Average Daily Balance:

- We start with the beginning balance of your account each day.
- We add any new Transactions, fees and other charges.
- We subtract any credits or payments credited as of that day and any unpaid interest or other finance charges.
- This gives us the daily balance. Then, we add up all the daily balances for the Billing Period and divide the total by the number of days in the Billing Period. This gives us the average daily balance.

**GRACE PERIOD:** You will not pay any interest on Purchases if you pay the Account Balance, including any Balance Transfers, in full by the Payment Due Date shown on your periodic statement each Billing Period. We call this a grace period on Purchases. Generally you will have at least a 25-day grace period from the close of each Billing Period to pay the Account Balance without incurring additional interest. The Payment Due Date disclosed on each periodic statement provided to you is the last day of your grace period for that statement's billing cycle. If you do not pay the Account Balance, including any Balance Transfers, in full by the Payment Due Date in a Billing Period, you will pay interest on your Purchases from the date they are posted to your Account. You also will not have a grace period on Purchases again until you pay the Account Balance in full by the Payment Due Date two (2) Billing Periods in a row.

There is no grace period on Cash Advances. This means you will pay interest on Cash Advances from the date these transactions post to your Account.

## FEES

The following fees will be added to your Account, as applicable:

FEE	AMOUNT	ABOUT THE FEE
Annual Cardholder Fee	None	
Late Payment Fee	Up to \$20	You will be charged a Late Payment Fee if you do not pay at least an amount equal to the Minimum Payment Due by the Payment Due Date. We charge a Late Payment Fee of up to \$20 and, if you make another late payment within the next six (6) Billing Periods the late fee will be \$50.
Returned Payment Fee	Up to \$25	If a payment that was applied to your Account is returned to us unpaid for any reason, you will be charged a Returned Payment Fee of up to \$25.
Minimum Interest Charge	\$1.00	We charge a minimum interest charge of \$1.00 if the total periodic finance charge is less than \$1.00. We add the additional amount to any balance that is assessed a periodic finance charge
Cash Advance Fee	3% of the amount of each Cash Advance or \$10, whichever is greater (\$100 maximum)	We charge you a fee for each Cash Advance.
Balance Transfer Fee	3% of the amount of each transfer (\$10 minimum)	We charge you a fee for each Balance Transfer. Balance Transfers are subject to a \$500 minimum transfer amount.
Foreign Transaction Fee	1% of each transaction in U.S. Dollars	See section entitled "Foreign Transactions" below for additional details.
Document Copy Fee	Up to \$12 for each sales draft, with one copy free per year	If a copy of any periodic statement, sales draft or similar document is provided by us at your request (other than in connection with a billing error inquiry), a Document Copy Fee may be imposed by us

		on your Account.
Rush Card Fee	\$25	We will charge you a Rush Card Fee to rush each requested replacement card.
Returned Convenience Check Fee	\$25	We will charge you a Returned Convenience Check Fee if a Convenience Check cannot be paid.

**FOREIGN TRANSACTIONS:** Purchases, cash advances, and credits made in foreign currencies will be billed to your Account in U.S. dollars. The conversion to U.S. dollars will be made in accordance with the MasterCard operating regulations for international transactions. In the event that an international transaction is converted to U.S. dollars the exchange rate between the transaction currency and the billing currency used for processing international transactions will be: (1) a rate selected by MasterCard from the range of rates available in wholesale currency markets for the applicable central processing date, which rate may vary from the rate MasterCard itself receives; or (2) the government-mandated rate in effect for the applicable central processing date. The Credit Union has no control over the conversion rate. The rate in effect on the applicable processing date may differ from the rate on the date you used your Card. When a credit to the account does not fully offset a charge to the account due to changes in the rate, you are responsible for the difference. For Purchases, Cash Advances, and ATM transactions, we will charge a Foreign Transaction Fee in an amount equal to one percent (1%) of the amount of the Purchase, Cash Advance or ATM transaction, regardless of whether the transaction requires a currency conversion.

The above fees for the Billing Period will be shown on your periodic statement.

## PAYMENTS

**MINIMUM PAYMENT:** Every month, you must pay at least the Minimum Payment Due by the Payment Due Date shown on your periodic statement. The Minimum Payment Due will be either (1) 2.0% of your Account Balance or \$25.00, whichever is greater; or (2) your Account Balance if it is less than \$25.00. In addition, you must pay any amount past due, any late charge and any amount over the CreditLimit.

**APPLICATION OF PAYMENTS:** We decide how to apply your payments, up to the Minimum Monthly Payment amount, to the balances on your Account. We will apply the Minimum Monthly Payment amount in the following order: (1) periodic interest charges and fees; (2) outstanding balances of Cash Advances, Balance Transfers, and Purchases previously billed, starting with the lowest APR first, and (3) current Cash Advances, Balance Transfers and Purchases, starting with the lowest APR first. If you pay more than the Minimum Payment Due amount, the amount in excess of the Minimum Payment Due will be applied first to the balances subject to the highest APR and then to balances subject to lower APRs, in descending order of APRs until all balances subject to an APR are paid in full. You must continue to make payments until you have paid the Account Balance in full.

**PAYMENT INSTRUCTIONS:** You must follow the instructions below when making a payment. If you do, we will credit the payment to your Account as of the day we receive it.

- Payments should be sent to Kinecta Federal Credit Union, Attention: Card Services Department, P.O. Box 60083, City of Industry, CA 91716.
- We must receive your payment on or before the Payment Due Date in order for your Account to be credited by the Payment Due Date.
- You must pay in U.S. Dollars.
- You must use a check or electronic debit issued by a financial institution in the United States (do not mail cash).
- You must not send us a check dated after the date that we receive it.
- You must not enclose more than one check per envelope.
- You must not include any restrictive endorsements on the check.
- You must follow any additional payment instructions shown on your periodic statement.

If you do not pay in U.S. Dollars and we accept your payment, we will select the currency conversion rate, and you must pay our costs. If you do not follow our payment instructions, we may not accept your payment, or there may be a delay in crediting your Account. Either may result in late fees and additional interest charges to your Account. If you do not follow the payment instructions in this Agreement or on your periodic statement, we may accept your payment without losing our rights.

**PREPAYMENT OR IRREGULAR PAYMENTS:** Though you need only pay the Minimum Payment Due, you understand that you have the right to repay your Account Balance at any time without penalty. You also understand and agree that you will only be charged interest charges to the date you repay your entire Account Balance. You may make larger payments without penalty and this

may reduce the total amount of interest charges that you will repay. If you pay more than the Minimum Payment Due in any month and there is still a balance due, you must continue to make Minimum Payments in future months. Any partial payment of your Account Balance will not advance your next payment due date(s). You understand and agree that any payment that (a) delays or (b) accelerates the repayment of your Account Balance will (a) increase or (b) decrease your Monthly Periodic interest charge.

**PAYMENTS BY AUTOMATIC TRANSFER:** By separate agreement, you may authorize us to automatically transfer the Minimum Payment Due from your Credit Union savings or checking account. If you request payment by automatic transfer, you understand and agree that no payment can or will be made if there are insufficient or uncollected funds in the designated savings or checking account to make the scheduled payment. Should this event occur, you understand and agree that you will not be released from making the payment. Any automatic transfer you have requested will remain in effect until you cancel it in writing or the Account Balance is paid in full. To stop a payment by automatic transfer, you may send us a letter requesting that the payment be stopped. Your letter must be received by Kinecta Federal Credit Union, Attention: Card Services Department, P.O. 217, Manhattan Beach 90267, at least three (3) business days before the automatic payment is scheduled to occur. We may cancel this service at our discretion.

**PAYMENTS MARKED "PAID IN FULL":** Payments marked "paid in full" or other language used to indicate full satisfaction of indebtedness may be accepted by us without being bound by such language or waiving any rights under this Agreement. We will accept full satisfaction of indebtedness only in a written agreement, signed by an authorized representative of the Credit Union.

## FINANCIAL INFORMATION

**FINANCIAL INFORMATION AND RE-EVALUATION OF CREDIT:** You and each Guarantor (if any) authorize us to obtain business and personal credit bureau reports in your and any Guarantor's name, respectively, at any time and from time to time. You and each Guarantor (if any) agree to submit current financial information, a new credit application, or both, in your name and in the name of each guarantor, respectively, at any time promptly upon our request. Based on our review of this information, we may at any time and from time to time, at our sole discretion and subject to any applicable notice requirements, increase or decrease your Credit Limit, increase or decrease your interest rate, or terminate this Agreement, as permitted by applicable law. We may report our credit experiences with you and any Guarantor of your Account to third parties as permitted by law. You also agree that we may release information to comply with governmental reporting or legal process which we believe may be required, whether or not such is in fact required, or when necessary or helpful in completing a transaction, or when investigating a loss or potential loss. **YOU ARE HEREBY NOTIFIED THAT A NEGATIVE CREDIT REPORT REFLECTING ON YOUR CREDIT RECORD MAY BE SUBMITTED TO A CREDIT REPORTING AGENCY IF YOU FAIL TO FULFILL THE CREDIT OBLIGATIONS HEREUNDER.**

## ACCOUNT INFORMATION, PRIVACY, AND COMMUNICATIONS

**ACCURACY OF AND CHANGES TO ACCOUNT INFORMATION:** You represent and warrant that the information provided in your credit application is accurate, and you agree to notify us in writing immediately if this information changes. If you do not, or if we ask you to verify your Account information and you cannot, we may suspend or close your Account.

**INFORMATION SHARING:** You understand and agree that we may share information about you and your Account as permitted by applicable law. This includes information we obtain from you and others. Our privacy notice, describes reasons the Credit Union can share its members' personal information.

**CONTACTING YOU:** You agree that we (and/or our authorized agents) may contact you at any phone number, email address or mailing address you provide. This includes communications to mobile, cellular/wireless, or similar devices. We may contact you by live operator, auto-dialer, prerecorded or artificial voice, text or email. You agree to pay any charges assessed by your plan provider for communications we send to you, as well as communications you send to us.

**CALL MONITORING:** We may listen to and record telephone calls between you and us to monitor and improve the quality of service you receive.

**NOTICES:** We will send any notices to your billing address, or, if you have agreed to receive notices from us in an electronic format, we will send notices to you in an electronic form. We consider a notice sent as soon as we mail it. We consider an electronic notice sent as soon as we email it, unless we receive notification that the email was undeliverable.

## AUTHORIZED USERS

**ACCOUNT USE BY AUTHORIZED USERS:** A Program Administrator may request to add one or more Authorized Users to the Account. If we approve such a request, use of the Account by an Authorized User is subject to the terms of this Agreement. You agree that upon termination of the employment of any employee to whom a Card was issued, you will immediately notify us and will destroy or return the Card to us. A Program Administrator must:

- Obtain permission from each Authorized User before naming him or her as an Authorized User on your Account.
- Make a copy of this Agreement available to each Authorized User.
- Pay us for all charges incurred by each Authorized User.
- Notify us to remove an Authorized User from your Account. If we remove an Authorized User, we may close your Account, open a new Account, and issue you a new Card.

We may limit the number of Authorized Users on your Account.

The Business and all Guarantors (if any) are responsible for:

- Any Transactions made by an Authorized User on your Account.
- Any Transaction made by an Authorized User even if the post date shown on your periodic statement for that Transaction occurs after the date you ask us to remove the Authorized User from your Account.
- Any Transactions made by others if an Authorized User allows them to use your Account.
- Fees and charges resulting from any Transactions made by an Authorized User or others if an Authorized User allows them to use your Account.

**ACCOUNT INFORMATION RIGHTS FOR AUTHORIZED USERS:** We are permitted to discuss your Account with an Authorized User. This includes giving him or her access to your Account information and history. You understand and agree that an Authorized User may use and receive information about the Account the same way you do. An Authorized User cannot add other Authorized Users, adjust the Credit Limit or close the Account; only a Program Administrator may do so.

#### **WHAT CAN AUTHORIZED USERS DO?**

- Report lost or stolen Cards
- Initiate billing disputes
- Obtain Account Information, such as Transaction histories
- Request periodic statement copies
- Make payments

**INFORMATION ABOUT AUTHORIZED USERS:** You agree to give us certain personal information about each Authorized User. You must let each one know that you will give us that information and you must have his or her permission to do so. You must have permission from each one to allow us to share information about him or her as permitted by applicable law. This includes information we may obtain from you, any Authorized User and others. It also includes information about their Transactions on the Account.

### **GUARANTY**

**GUARANTY:** Each Guarantor, jointly and severally, unconditionally guarantees payment of, and agrees to pay to our order upon demand, all present and future obligations at any time outstanding under the Account pursuant to this Agreement or any extension, renewal, or modification hereof. The obligations under this guaranty are independent, and each Guarantor agrees as follows: (i) we may obtain consumer credit reports on and provide information to others regarding such Guarantor; (ii) such Guarantor will pay all our expenses, including our attorneys' fees, that we incur in enforcing all obligations under this Agreement including this guaranty; and (iii) such Guarantor hereby grants us a security interest in all deposit accounts that such Guarantor may maintain with us (excluding IRAs, and certain trust accounts). This is a guaranty of payment and performance and not of collection. To the extent permitted by law, each Guarantor waives: (a) any right to require us to proceed against any other person associated with the Account; (b) any right to require us to proceed against or exhaust any security held by us at any time or to pursue any other remedy before proceeding against such Guarantor; (c) all notices of any kind or the lack of any notice, including, notice of any new or additional indebtedness, any modification of any obligation, or obligation or notice of any action or non-action on the part of you, us, any Guarantor or any other person; (d) any defense based upon an election of remedies by us; (e) any right or claim of right to cause a marshalling of your assets or any Guarantor; (f) any invalidity, irregularity or unenforceability, in whole or in part, of this Agreement; and (g) any right or claim of right to agree to any modification of any obligation and any modifications of any of your obligations relating to this Account by operation of law or by action of any court, whether pursuant to the Bankruptcy Act, or any other federal or state debtor relief law.



## DEFAULT, CLOSING OR SUSPENDING THE ACCOUNT

**DEFAULT:** You will be in default if:

- You do not pay at least the Minimum Payment Due or other required payment by the due date;
- You have a Returned Payment;
- You do not honor any of the terms of this Agreement;
- You make any false or misleading statements in any credit application or credit update;
- A material change occurs in your ownership or organizational structure (acknowledging that any change in ownership will be deemed material when ownership is closely held);
- You liquidate or dissolve, or enter into any consolidation, merger, partnership, or joint venture;
- You sell any assets except in the ordinary course of your business as now conducted, or sell, lease, assign or transfer any substantial part of your business or fixed assets or any property or other assets necessary for the continuance of your business as now conducted including, without limitation, the selling of any property or other assets accompanied by the leasing back of the same;
- You cease doing business, become insolvent, a receiver is appointed for all or any part of your property, you make an assignment for the benefit of creditors, or any proceeding is commenced either by you or against you under any bankruptcy or insolvency laws or any other law or laws relating to debtors;
- Any guaranty of your indebtedness to us, whether related or unrelated to your Account, ceases to be in full force and effect or is declared to be null and void; or the validity or enforceability thereof is contested in a judicial proceeding; or any Guarantor denies that he/she/it has any further liability under such guaranty; or any Guarantor defaults in any provision of any guaranty, or any financial information provided by any Guarantor is false or misleading;
- You or any Guarantor dies (whether on your Account or any unrelated amount owed to us by you); if you are a sole proprietorship, the owner dies; if you are a partnership, any general or managing partner dies; if you are a corporation, any principal officer or 10.00% or greater shareholder dies; if you are a limited liability company, any managing member dies; if you are any other form of business entity (any person(s) directly or indirectly controlling ten percent (10.00%) or more of the ownership interests of such entity) dies;
- Any creditor tries to take any of your property on or in which we have a lien or security interest, whether related or unrelated to your Account, including a garnishment of any of your accounts with us;
- A judgment or judgments is entered against you or any Guarantor(s) (whether on your Account or any unrelated amount owed to us by you) in the aggregate amount of \$250 or more that is not satisfied within thirty (30) days or stayed pending appeal;
- An involuntary lien or liens is attached to any of your or any Guarantor's assets or property (whether on your Account or any unrelated amount owed by you to us) and not satisfied within thirty (30) days or stayed pending appeal;
- An adverse change occurs in your financial condition or applicable credit histories;
- We in good faith deem you insecure; or
- You are in default under any agreement for borrowed money or any other material contract.

**OUR RIGHTS IF YOU DEFAULT:** If any of the events listed above occurs, we may temporarily or permanently suspend any and all Account and Card privileges and/or we may demand immediate payment of the Account Balance. We may close or suspend your Account at any time, without notifying you, as permitted by law. If we ask, you must return your Card(s) to us, cut in half. You agree that you will not attempt to make a Purchase or obtain a Cash Advance after you have been notified that your privilege to use your Account has been terminated. We may cancel your current Card and issue you a substitute Card at any time. You may close your Account at any time by notifying us in writing, and you must include your signature. If we close or suspend your Account, or if you close your Account, you understand and agree that you remain obligated to repay the entire Account Balance. You understand and agree that interest charges at the APR as permitted under this Agreement will continue to accrue until you repay your entire Account Balance. We may hire or pay someone else to help collect your Account if you do not pay. You will pay us any collection costs incurred by us. This includes, subject to any limits under applicable law, our attorneys' fees and our legal expenses, including attorneys' fees and legal expenses for bankruptcy proceedings, civil actions, arbitration proceedings, declaratory actions or other filings or proceedings, declaratory efforts to modify or vacate any automatic stay or injunction, appeals, and any anticipated post-judgment collection services. You will also pay any court costs, in addition to all other sums provided or allowed by law.

**SECURITY INTEREST; RIGHT OF OFFSET:** You grant to us a contractual security interest in, and hereby assign, convey, deliver, pledge and transfer to us all your right, title and interest in and to your Credit Union accounts, if any, with us (whether savings, business checking, money market, or some other account), including without limitation all accounts you may open in the future. You authorize us, to the extent permitted by applicable law, to charge or set off all sums owing pursuant to this Agreement against any and all such accounts and, at our option, to administratively freeze all such accounts to allow us to protect our charge and setoff rights provided in this paragraph.

## TRANSACTIONS

**REFUSAL OF THE CARD:** Most Transactions require approval of funds, which result in placing a hold against your Credit Limit. We do not guarantee approval of Transactions. We are not liable for those that are not approved, even if you have enough available credit on your Account. We may also limit the number of Transactions approved per day. We may, although we are not required to, approve Transactions above your available Credit Limit.

**SUSPICIOUS ACTIVITY:** We are committed to keeping your financial transactions as secure as possible. We use a credit card fraud detection system designed using neural network technology that “learns” your credit card purchase patterns. The system analyzes authorization requests for your Card in real time and compares them to your purchase history as well as current fraud trends. If we detect unusual transaction patterns, we can take action to reduce the potential for fraud, including but not limited to suspending credit privileges. As your profile and transactions change over time, the system updates its files. We reserve the right to identify Transactions as unauthorized or fraudulent and subsequently to decline those Transactions. We are not responsible for any loss or damage arising out of any declined Transaction.

**TRAVEL ADVISORY:** A Transaction in a geographic area where you do not usually use your Card may trigger the credit card fraud detection system. We encourage you to provide us with prior notice of any anticipated Card activity that may be out of your ordinary pattern of Card Transactions, such as high transaction amounts, high transaction volume, any anticipated transactions outside of the geographic areas where you normally use your card, and any anticipated transactions outside the U.S. You may provide this notice by calling:

- Domestic: (877)881-6023
- International: (310)643-2106
- To verify Account activity if Card is blocked: (877)881-6023.

**MERCHANT FEES:** Some merchants, including merchants outside the U.S., may charge you a fee to use your Card for a Purchase. The fee will be either a percentage of the amount of your Purchase or a flat fee, and will be added to the amount of your Purchase. Usually, a merchant will tell you about this fee before you use your Card, but not always. We do not control these fees and we cannot prevent them.

**MERCHANT DISPUTES:** The Credit Union is not responsible for the refusal of any merchant or financial institution to honor the Account and/or Card. We are subject to claims and defenses (other than tort claims) arising out of goods or services you purchase with the Card only if you have made a good faith attempt but have been unable to obtain satisfaction from the merchant, and (1) your Purchase was made in response to an advertisement we sent or participated in sending you; or (2) your Purchase cost more than \$50 and was made from a merchant in your state or within 100 miles of your current mailing address. Any other dispute you must resolve directly with the merchant.

**RETURNS AND ADJUSTMENTS:** If a merchant discloses a policy such as “no returns,” “no refunds,” “no return or credit without receipt,” “as is,” “store credit only” or “all sales final,” you will be bound by that policy when you use your Card to buy goods or services from that merchant. A merchant refund to your Account will post to your Account as a credit. We do not control when a merchant sends an Account credit. We will choose how to apply the credit to your existing Account Balance. If a credit fails to post to your Account, you may request our help in having the credit applied to your Account by sending us a copy of the credit receipt issued by the merchant. You have the sole responsibility to obtain written proof of credit and to retain copies of credit receipts until the credit is properly applied to your Account. If your credits and payments exceed what you owe us, we will hold and apply this credit balance against future Transactions, or if it is \$1.00 or more, refund it on your written request or automatically after six (6) months.

**RECURRING AUTHORIZED TRANSACTIONS:** If you authorize a merchant or any other person to charge your Account for recurring Transactions, you must notify the merchant if:

- You want to discontinue these Transactions;
- Your Account is closed;
- Your Account number changes;
- Your Card expiration date changes.

You are responsible for reinstating any recurring authorized Transactions.

**INTERNET TRANSACTIONS:** You may activate your Card in MasterCard’s SecureCode® program at [www.kinecta.org](http://www.kinecta.org). To complete transactions over the Internet, merchants may request your SecureCode® password to complete the transactions. If a password is not provided, or you do not successfully register with SecureCode®, the merchant may deny the transaction. If the

password is incorrect, we may deny the transaction. You can select or change your password and view additional terms online by visiting [www.kinecta.org](http://www.kinecta.org) and clicking on the SecureCode® links under the credit card page. You acknowledge and agree that if you disclose your SecureCode® password to another person, you are authorizing that person to transact on your Account.

## TERMS AND CONDITIONS APPLICABLE TO MASTERCARD CONVENIENCECHECKS

**CHECK USES:** Convenience Checks (including balance transfer checks) are checks that the Credit Union may send you to access your Account from time to time. The following terms will apply to the use of those checks unless otherwise disclosed with the checks. You can use your Convenience Checks to purchase goods and services, to obtain cash up to the amount of your Cash Advance Limit, or to conduct Balance Transfers up to the amount of your Credit Limit. Use of Convenience Checks to purchase goods and services or to obtain cash up to the amount of your Credit Limit is considered a Cash Advance on your account. The Credit Union will charge interest beginning as of the date the Credit Union receives the Convenience Check. You cannot avoid paying interest on Convenience Check transactions. Any special rules applicable to credit card purchases described in this Agreement or any other features pertaining to card purchases do not apply to Convenience Checks. Convenience Checks do not earn Cash Back Rewards.

**LIMITATIONS:** We are not required to honor a Convenience Check that will cause you to exceed your Credit Limit. We will not pay a Convenience Check if at the time that it is presented:

- You are in default or we have suspended, terminated, or canceled your Account;
- The Convenience Check is not in the form we have issued to you;
- Your signature or the payee's name or endorsement is missing on the Convenience Check or the Convenience Check appears altered; or
- Your Convenience Check is post-dated.

Convenience Checks may be used only by the person(s) whose name(s) is/are printed on the check. You are responsible for all authorized use of Convenience Checks. You may not use Convenience Checks to make a payment on any other obligation you have with the Credit Union, including paying any amount that you owe us pursuant to this Agreement. Certain merchants may inform you of their intent to convert your Convenience Check payment to an electronic ACH debit. For mailed payments, this notification will be provided at the time you receive a bill. For payments made in person, this notification will be provided at the time payment is made. You understand and agree that Convenience Checks are ineligible for conversion to an ACH debit and if presented by a merchant to us for payment, we are required to reject and return the entry. Using Convenience Checks for payments to merchants who have notified you of their intent to convert your check to an ACH debit may result in merchant returned item fees and/or late charges. You further understand and agree that you may not attempt to authorize a one-time advance from your Account via ACH by providing check information (such as the routing, account, and serial numbers) to a merchant or other payee in person, via the Internet or by telephone for the purpose of having such merchant or other payee electronically initiate a funds transfer. The Credit Union will not be liable for any fees you incur as a result of the Credit Union's failure to honor a Convenience Check that is converted to an ACH debit.

**PERIODIC STATEMENTS:** Your periodic statement will show you an itemization of the Convenience Checks posted to your Account during the Billing Period. Convenience Checks paid by the Credit Union will not be returned to you with your periodic statement.

**RETURNED CONVENIENCE CHECK FEE:** The Credit Union will charge you a Returned Convenience Check Fee of \$25 per returned check which will be billed to your Account if a Convenience Check(s) cannot be paid. The Credit Union may decline to honor such Convenience Checks if, for example:

- The amount of the Convenience Check would cause you to exceed your Cash Advance Credit Limit;
- If you are in default;
- If you did not comply with the instructions included with the Convenience Check;
- If the Convenience Check appears altered or is missing information;
- The Convenience Check was used by someone other than the person to whom the Convenience Check was sent;
- The Card has expired or was revoked;
- Your Account is closed or suspended; or
- The Convenience Check was converted to an ACH transaction.

**STOP PAYMENT:** Provided your request is timely, you may order a stop payment on a Convenience Check drawn on your Account. To stop payment on a Convenience Check, you must call us at (877) 881-6023 during regular business hours and provide us with the following information: the Account number, the payee, any check number that may be applicable, and the exact amount of the Convenience Check. If you order a stop payment on a Convenience Check orally, the order will be valid for only fourteen (14) days thereafter, unless confirmed in writing. Written stop payment orders will remain in effect only for six (6) months, unless renewed in writing. You have the burden of establishing the fact and amount of loss resulting from payment contrary to a binding stop payment. The Credit Union is not required to notify you when a stop payment order expires. If the Credit Union re-credits your Account after paying a Convenience Check over a valid and timely stop payment order, you agree to sign a statement describing the dispute with the payee, to assign to the Credit Union all of your rights against the payee or other holders of the check and to assist the Credit Union in any legal action. You agree to indemnify and hold the Credit Union harmless from all costs and expenses, including attorneys' fees, damages, or claims, related to the Credit Union honoring your stop payment request or in failing to stop payment of an item as a result of incorrect information provided to the Credit Union or the giving of inadequate time to act upon a stop payment request.

**SURRENDER OF CONVENIENCE CHECKS:** Convenience Checks are the Credit Union's property; the Credit Union reserves the right to revoke them at any time. You agree to return them at the Credit Union's request.

### MISCELLANEOUS

**PROMOTIONAL RATE OFFERS:** From time to time and at our discretion, we may offer you a promotional APR for all or any part of your Account Balance, Balance Transfer or future transactions. The period of time for which the promotional APR applies may be limited. Any applicable promotional APR, the corresponding periodic rates, and the period of time during which they are in effect will appear on the offer. Any promotional rate offer will be subject to the terms of the offer and this Agreement.

**LOST OR STOLEN CARD, NOTIFICATION AND LIABILITY:** You will notify us IMMEDIATELY if you believe that your Card, Account number, PIN, or any combination of the three has been lost or stolen by immediately calling us at (877) 881 -6023 between 12:00 a.m. and 11:59 p.m. PST, Monday through Friday, excluding holidays and weekends or after Credit Union hours at (877) 881-6023/International Number (310) 643-2106. Telephoning is the best way of keeping your possible losses down. You understand that your total liability to us will not exceed \$50.00 for any Account and/or Card Transactions resulting from the loss, theft, or other unauthorized use of the Account and/or Card that occurs prior to the time you give notice to us. Your liability for unauthorized use may be lower in cases of MasterCard fraud in accordance with current MasterCard, Inc. Operating Rules.

You agree that in the event of a lost, stolen, not received or counterfeited card or fraudulent activity on your Account, you and all parties given access to the Account will complete an affidavit of forgery in a form approved by the Credit Union. You also agree to assist us in determining the facts, circumstances, and other pertinent information related to any loss, theft or possible unauthorized use of your Card, Account number or PIN and to comply with such other procedures as we may require in connection with our investigation.

**INACTIVE ACCOUNT:** If your Account does not have any activity for twelve (12) consecutive months, it will be considered an inactive account and your ability to take advances against your Credit Limit may be suspended. If your Account is inactive for twenty-four (24) consecutive months, we may close it.

**PERIODIC STATEMENTS:** Your Card or other Account activity will be reflected on your periodic statement (Statement). We will send you a Statement for each Billing Period in which Transaction activity has occurred on your Account, and at least quarterly if no activity has occurred. Your Statement will identify the merchant, electronic terminal, or financial institution at which transactions were made, but sales, cash advance, credit, or other receipts cannot be returned with the Statement. You agree to retain the copy of such receipts furnished at the time of the transaction in order to reconcile your Statement. If you request a copy of any sales draft or similar document, a Document Copy Fee may be imposed by us. This fee will not be imposed, however, if it was requested in connection with a billing error. Statements will be mailed or delivered electronically if you have agreed to receive notices from us in an electronic format only to the address of the person named first on the Account.

**ASSIGNMENT:** We may sell, transfer or assign this Agreement and your Account to a third party at any time without notifying you. You may not sell, assign or transfer your Account or any of your obligations under this Agreement.

**ENFORCING THIS AGREEMENT:** We will not lose our rights under this Agreement because we delay in enforcing them or fail to enforce them. If any provision of this Agreement is found to be unenforceable, all other provisions of the Agreement will remain in effect.

**INTEGRATED DOCUMENT(S):** You understand and agree that any separate sheet of paper, which is delivered together with this Agreement and incorporates this Agreement by reference, is an integrated part of this Agreement. Any future amendments to this Agreement will be labeled as such and will form an integrated part of this Agreement.

**COLLECTION COSTS:** To the extent permitted by law, you are liable to us for our legal costs if we refer collection of your Account to an attorney who is not our salaried employee. These costs may include reasonable attorneys' fees, as well as costs and expenses of any legal action. You understand and agree that interest charges will continue to accrue at the APR permitted under this Agreement until you repay your entire Account Balance.

**UNFORSEEN CIRCUMSTANCES:** From time to time, our services might be unavailable due to circumstances beyond our control, such as fires, floods, natural disasters, system failures or other unpredictable events. When this happens, you may not be able to use your Card or obtain information about your Account. We are not responsible or liable if this happens.

**GOVERNING LAW:** You understand and agree that this Agreement is made in California will be governed by the laws of the State of California to the extent that California law is not inconsistent with controlling federal law. You also understand and agree that California's choice of law rules will not be applied if they would result in the application of non-California law.

**MEMBERSHIP REQUIREMENT:** You understand and agree that the Business must be and remain a member in good standing with us to be eligible for continuing Account and/or Card privileges including future Transactions. You understand and agree that we may suspend or close the Account and/or Card privileges during any period in which the Business does not maintain its membership with us.

**FINAL EXPRESSION:** This Agreement is the final expression of the terms and conditions of your Account. This Agreement may not be contradicted by evidence of any alleged oral agreement.

**COPY RECEIVED:** You acknowledge receipt of a copy of this Agreement and agree to accept its terms.